



**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

June 30, 2018

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Table of Contents

	Page
Independent Auditors' Report	1
Schedule of OPEB Amounts by Employer	3
Notes to Schedule of OPEB Amounts by Employer	9
Supplemental Schedule:	
Schedule of Employer Contributions (Unaudited)	15



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditors' Report

The Division of Retirement and Benefits and
Members of the Alaska Retirement Management Board
State of Alaska Public Employees' Retirement System:

We have audited the total for all employers of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense (specified column totals) included in the accompanying schedule of OPEB amounts by employer of the State of Alaska Public Employees' Retirement System Occupational Death and Disability Plan (the Plan) as of and for the year ended June 30, 2018 and the related notes.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of this schedule in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on the specified column totals included in the schedule of OPEB amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the specified column totals included in the schedule of OPEB amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the specified column totals included in the schedule of OPEB amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the specified column totals included in the schedule of OPEB amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the specified column totals included in the schedule of OPEB amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the specified column totals included in the schedule of OPEB amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the schedule referred to above presents fairly, in all material respects, the net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total employer OPEB expense for the total of all participating entities for the Plan as of and for the year ended June 30, 2018, in accordance with U.S. generally accepted accounting principles.



Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the State of Alaska Public Employees' Retirement System, which includes the Occupational Death and Disability Plan, as of and for the year ended June 30, 2018, and our report thereon, dated November 21, 2018 expressed an unmodified opinion on those financial statements.

Other Information

The supplemental schedule of employer contributions has not been subject to the auditing procedures applied in the audit of the schedule of OPEB amounts by employer and accordingly, we do not express an opinion or provide any assurance on them.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Public Employees' Retirement System management, the members of the Alaska Retirement Management Board, State of Alaska Public Employees' Retirement System Occupational Death and Disability Plan employers, and their auditors, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Anchorage, Alaska
April 26, 2019

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

<u>Deferred outflows of resources</u>						
<u>Employer</u>	<u>Employer number</u>	<u>Net OPEB asset</u>	<u>Difference between expected and actual experience</u>	<u>Change of assumptions</u>	<u>Changes in proportion and differences between employer contributions and proportionate share of contributions</u>	<u>Total deferred outflows of resources</u>
Employers:						
State of Alaska	101	\$ 9,495,519	—	—	347,542	347,542
Southwest Region School District	102	26,749	—	—	—	—
Annette Island School District	103	21,090	—	—	—	—
Bering Strait School District	104	70,307	—	—	3,783	3,783
Chatham School District	105	6,898	—	—	—	—
City of Valdez	107	98,402	—	—	—	—
Juneau Borough School District	108	128,988	—	—	—	—
Matanuska-Susitna Borough	109	226,138	—	—	—	—
Matanuska-Susitna Borough School District	110	327,092	—	—	1,231	1,231
Anchorage School District	111	923,475	—	—	14	14
Copper River School District	112	12,797	—	—	—	—
University of Alaska	113	611,118	—	—	—	—
City of Kenai	115	74,435	—	—	6,026	6,026
Fairbanks North Star Borough	116	239,201	—	—	—	—
Fairbanks North Star Borough School District	117	336,116	—	—	—	—
Denali Borough School District	118	19,900	—	—	—	—
City And Borough of Sitka	120	106,255	—	—	3,057	3,057
Chugach School District	121	6,081	—	—	649	649
Ketchikan Gateway Borough	122	44,386	—	—	2,744	2,744
City of Soldotna	123	43,061	—	—	2,812	2,812
Iditarod Area School District	124	9,806	—	—	792	792
Kuspuk School District	125	15,693	—	—	—	—
City and Borough of Juneau	126	318,298	—	—	8,895	8,895
City of Kodiak	128	79,213	—	—	1,340	1,340
City of Fairbanks	129	59,109	—	—	4,808	4,808
City of Wasilla	131	78,463	—	—	—	—
Sitka Borough School District	133	31,492	—	—	863	863
City of Palmer	134	44,188	—	—	2,851	2,851
City And Borough of Wrangell	135	20,674	—	—	1,096	1,096
City of Bethel	136	67,486	—	—	1,781	1,781
Valdez City School District	137	22,414	—	—	1,295	1,295
Hoonah City School District	138	3,381	—	—	2,039	2,039
City of Nome	139	41,590	—	—	1,078	1,078
City of Kotzebue	140	54,807	—	—	4,977	4,977
Galena City School District	141	45,335	—	—	—	—
City of Petersburg	143	48,519	—	—	1,146	1,146
Bristol Bay Borough	144	24,849	—	—	—	—
North Slope Borough	145	803,061	—	—	—	—
Wrangell Public School District	146	8,109	—	—	—	—
City of Cordova	148	37,182	—	—	2,566	2,566
Nome City School District	149	14,808	—	—	2,768	2,768
City of King Cove	151	9,706	—	—	51	51
Alaska Housing Finance Corporation	152	138,080	—	—	—	—
Lower Yukon School District	153	64,198	—	—	—	—
Northwest Arctic Borough School District	154	84,024	—	—	3,897	3,897
Southeast Island School District	155	11,619	—	—	—	—
Pribilof School District	156	1,465	—	—	439	439
Lower Kuskokwim School District	157	162,688	—	—	—	—
Kodiak Island Borough School District	158	78,079	—	—	5,588	5,588
Yukon Flats School District	159	11,916	—	—	206	206
Yukon / Koyukuk School District	160	27,547	—	—	—	—
North Slope Borough School District	161	140,785	—	—	—	—
Aleutian Region School District	162	—	—	—	596	596
Cordova Community Medical Center	163	18,237	—	—	23,054	23,054
Lake And Peninsula Borough School District	164	19,303	—	—	1,818	1,818
Sitka Community Hospital	165	142,633	—	—	2,501	2,501
Tanana School District	166	2,327	—	—	280	280

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

Deferred inflows of resources					OPEB expense			
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions		Total OPEB expense
						Proportionate share of contributions	Total OPEB expense	
334,021	2,627,165	—	—	2,961,186	847,284	47,124	894,408	
941	7,401	—	3,026	11,368	2,387	(388)	1,999	
742	5,835	—	2,771	9,348	1,882	(368)	1,514	
2,473	19,452	—	1,888	23,813	6,274	201	6,475	
243	1,909	—	780	2,932	616	(103)	513	
3,461	27,225	—	4,984	35,670	8,780	(652)	8,128	
4,537	35,688	—	8,577	48,802	11,510	(1,144)	10,366	
7,955	62,567	—	7,799	78,321	20,178	(1,034)	19,144	
11,506	90,498	—	14,326	116,330	29,186	(1,866)	27,320	
32,485	255,502	—	34,843	322,830	82,401	(4,906)	77,495	
450	3,541	—	1,402	5,393	1,142	(179)	963	
21,497	169,081	—	145,079	335,657	54,530	(19,160)	35,370	
2,618	20,594	—	—	23,212	6,642	780	7,422	
8,414	66,181	—	21,216	95,811	21,344	(2,762)	18,582	
11,823	92,995	—	19,734	124,552	29,992	(2,588)	27,404	
700	5,506	—	1,487	7,693	1,776	(187)	1,589	
3,738	29,398	—	—	33,136	9,481	414	9,895	
214	1,682	—	—	1,896	543	88	631	
1,561	12,280	—	—	13,841	3,961	378	4,339	
1,515	11,914	—	—	13,429	3,842	381	4,223	
345	2,713	—	2,166	5,224	875	(207)	668	
552	4,342	—	2,617	7,511	1,400	(361)	1,039	
11,197	88,065	—	5,110	104,372	28,402	378	28,780	
2,786	21,916	—	—	24,702	7,068	174	7,242	
2,079	16,354	—	—	18,433	5,274	658	5,932	
2,760	21,709	—	3,712	28,181	7,001	(463)	6,538	
1,108	8,713	—	—	9,821	2,810	120	2,930	
1,554	12,226	—	2,650	16,430	3,943	(21)	3,922	
727	5,720	—	319	6,766	1,845	115	1,960	
2,374	18,672	—	—	21,046	6,022	238	6,260	
788	6,201	—	1,576	8,565	2,000	(62)	1,938	
119	935	—	—	1,054	302	274	576	
1,463	11,507	—	881	13,851	3,711	43	3,754	
1,928	15,164	—	—	17,092	4,890	632	5,522	
1,595	12,543	—	1,433	15,571	4,045	(187)	3,858	
1,707	13,424	—	1,976	17,107	4,329	(82)	4,247	
874	6,875	—	833	8,582	2,217	(115)	2,102	
28,249	222,186	—	12,322	262,757	71,657	(1,589)	70,068	
285	2,244	—	635	3,164	724	(87)	637	
1,308	10,287	—	358	11,953	3,318	266	3,584	
521	4,097	—	—	4,618	1,321	367	1,688	
341	2,686	—	480	3,507	866	(52)	814	
4,857	38,203	—	9,908	52,968	12,321	(1,335)	10,986	
2,258	17,762	—	6,391	26,411	5,728	(852)	4,876	
2,956	23,247	—	1,671	27,874	7,497	246	7,743	
409	3,215	—	1,087	4,711	1,037	(137)	900	
52	405	—	132	589	131	36	167	
5,723	45,012	—	13,020	63,755	14,517	(1,665)	12,852	
2,747	21,603	—	2,318	26,668	6,967	363	7,330	
419	3,297	—	1,129	4,845	1,063	(110)	953	
969	7,622	—	1,988	10,579	2,458	(269)	2,189	
4,952	38,951	—	11,835	55,738	12,562	(1,579)	10,983	
—	—	—	—	—	—	84	84	
642	5,046	—	11,647	17,335	1,627	1,206	2,833	
679	5,341	—	781	6,801	1,722	114	1,836	
5,017	39,463	—	3,731	48,211	12,727	(217)	12,510	
82	644	—	616	1,342	208	(37)	171	

(Continued)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

Deferred outflows of resources						
Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Southeast Regional Resource Center	167	\$ 16,030	—	—	211	211
Hydaburg City School District	168	3,519	—	—	—	—
North Pacific Fishery Management Council	170	10,322	—	—	—	—
City of Barrow	171	17,848	—	—	—	—
City of Saint Paul	172	12,474	—	—	3,069	3,069
Municipality of Anchorage	173	1,642,551	—	—	—	—
Kodiak Island Borough	174	32,004	—	—	—	—
Nome Joint Utility System	175	2,715	—	—	—	—
City of Sand Point	176	13,858	—	—	1,155	1,155
Ketchikan Gateway Borough School District	177	81,344	—	—	—	—
City of Dillingham	178	36,879	—	—	2,774	2,774
City of Unalaska	179	128,417	—	—	1,453	1,453
Kenai Peninsula Borough	180	184,866	—	—	8,764	8,764
City of Ketchikan	181	79,782	—	—	1,777	1,777
City of Seward	182	43,856	—	—	633	633
City of Fort Yukon	183	7,006	—	—	—	—
Bristol Bay Borough School District	184	5,104	—	—	—	—
Cordova City School District	185	9,206	—	—	—	—
City of Craig	186	19,346	—	—	1,383	1,383
Petersburg Medical Center	187	78,836	—	—	—	—
Haines Borough	189	31,449	—	—	708	708
Kenai Peninsula Borough School District	190	187,706	—	—	2,706	2,706
City of North Pole	191	28,796	—	—	3,236	3,236
City of Galena	192	8,155	—	—	148	148
City of Nenana	193	1,754	—	—	16	16
Yupit School District	195	13,236	—	—	705	705
Nenana City School District	196	21,375	—	—	—	—
City of Saxman	198	953	—	—	805	805
City of Hoonah	199	17,386	—	—	8,571	8,571
City of Pelican	200	1,213	—	—	294	294
City of Whittier	202	12,755	—	—	282	282
Anchorage Community Development Authority	203	25,552	—	—	1,734	1,734
Craig City School District	204	12,579	—	—	285	285
Dillingham City School District	205	14,396	—	—	2,028	2,028
City of Thorne Bay	206	6,108	—	—	337	337
City of Akutan	208	9,497	—	—	4,914	4,914
Unalaska City School District	209	8,956	—	—	77	77
Kashunamiut School District	211	12,718	—	—	1,142	1,142
City of Homer	215	60,206	—	—	1,120	1,120
Special Education Service Agency	218	3,124	—	—	647	647
Bartlett Regional Hospital	219	411,106	—	—	—	—
Northwest Arctic Borough	220	27,405	—	—	2,748	2,748
Saint Mary's School District	221	6,291	—	—	1,037	1,037
Bristol Bay Regional Housing Authority	223	11,695	—	—	1,747	1,747
Copper River Basin Regional Housing Authority	224	5,713	—	—	858	858
Skagway City School District	225	2,716	—	—	14	14
City of Klawock	227	7,125	—	—	1,288	1,288
Petersburg City School District	228	12,672	—	—	—	—
Aleutians East Borough	230	6,418	—	—	—	—
City of Huslia	235	2,246	—	—	5	5
City of Kaltag	237	336	—	—	99	99
Haines Borough School District	240	7,260	—	—	925	925
City of Atka	243	871	—	—	976	976
Aleutians East Borough School District	244	8,295	—	—	1,329	1,329
Delta/Greely School District	246	12,629	—	—	707	707
Lake and Peninsula Borough	247	4,052	—	—	458	458
City and Borough of Yakutat	248	6,884	—	—	1,820	1,820
City of Unalakleet	249	6,375	—	—	—	—

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

Deferred inflows of resources					OPEB expense			
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions		Total OPEB expense
						Proportionate share of contributions		
564	4,435	—	313	5,312	1,430	(18)	1,412	
124	974	—	497	1,595	314	(70)	244	
363	2,856	—	1,141	4,360	921	(142)	779	
628	4,938	—	3,301	8,867	1,593	(411)	1,182	
439	3,451	—	428	4,318	1,113	379	1,492	
57,779	454,452	—	21,880	534,111	146,564	(2,885)	143,679	
1,126	8,855	—	4,507	14,488	2,856	(587)	2,269	
96	751	—	1,167	2,014	242	(162)	80	
487	3,834	—	—	4,321	1,237	159	1,396	
2,861	22,506	—	5,851	31,218	7,258	(775)	6,483	
1,297	10,203	—	—	11,500	3,291	355	3,646	
4,517	35,530	—	97	40,144	11,459	166	11,625	
6,503	51,148	—	—	57,651	16,496	1,143	17,639	
2,806	22,074	—	1,487	26,367	7,119	67	7,186	
1,543	12,134	—	429	14,106	3,913	18	3,931	
246	1,938	—	2,226	4,410	625	(310)	315	
180	1,412	—	1,633	3,225	455	(214)	241	
324	2,547	—	650	3,521	821	(91)	730	
681	5,353	—	—	6,034	1,726	188	1,914	
2,773	21,812	—	5,818	30,403	7,034	(773)	6,261	
1,106	8,701	—	1,671	11,478	2,806	(148)	2,658	
6,603	51,934	—	4,713	63,250	16,749	(330)	16,419	
1,013	7,967	—	—	8,980	2,569	432	3,001	
287	2,256	—	790	3,333	728	(93)	635	
62	485	—	583	1,130	156	(70)	86	
466	3,662	—	2,494	6,622	1,181	(264)	917	
752	5,914	—	2,333	8,999	1,907	(302)	1,605	
34	264	—	—	298	85	110	195	
612	4,810	—	—	5,422	1,551	1,118	2,669	
43	335	—	252	630	108	1	109	
449	3,529	—	788	4,766	1,138	(76)	1,062	
899	7,070	—	—	7,969	2,280	227	2,507	
442	3,480	—	426	4,348	1,122	(25)	1,097	
506	3,983	—	2,098	6,587	1,285	27	1,312	
215	1,690	—	340	2,245	545	(6)	539	
334	2,627	—	4,610	7,571	847	(43)	804	
315	2,478	—	687	3,480	799	(87)	712	
447	3,519	—	80	4,046	1,135	151	1,286	
2,118	16,657	—	—	18,775	5,372	155	5,527	
110	864	—	39	1,013	279	74	353	
14,461	113,743	—	39,105	167,309	36,683	(5,222)	31,461	
964	7,582	—	3,491	12,037	2,445	(44)	2,401	
221	1,741	—	90	2,052	561	115	676	
411	3,236	—	—	3,647	1,044	218	1,262	
201	1,581	—	—	1,782	510	109	619	
96	751	—	700	1,547	242	(84)	158	
251	1,971	—	—	2,222	636	165	801	
446	3,506	—	908	4,860	1,131	(117)	1,014	
226	1,776	—	626	2,628	573	(86)	487	
79	621	—	784	1,484	200	(96)	104	
12	93	—	136	241	30	(3)	27	
255	2,009	—	—	2,264	648	125	773	
31	241	—	—	272	78	133	211	
292	2,295	—	269	2,856	740	154	894	
444	3,494	—	—	3,938	1,127	94	1,221	
143	1,121	—	—	1,264	362	63	425	
242	1,905	—	809	2,956	614	111	725	
224	1,764	—	624	2,612	569	(84)	485	

(Continued)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

Deferred outflows of resources						
Employer	Employer number	Net OPEB asset	Difference between expected and actual experience	Change of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred outflows of resources
Klawock City School District	251	\$ 4,535	—	—	296	296
Alaska Gateway School District	255	26,901	—	—	—	—
Pelican City School District	257	—	—	—	154	154
Denali Borough	258	6,329	—	—	73	73
Cook Inlet Housing Authority	262	95,977	—	—	—	—
Interior Regional Housing Authority	263	11,285	—	—	—	—
Yakutat School District	264	2,171	—	—	150	150
Kake City School District	265	4,642	—	—	120	120
Aleutian Housing Authority	267	9,832	—	—	432	432
Bering Straits Regional Housing Authority	270	11,712	—	—	1,805	1,805
City of Egegik	271	1,735	—	—	—	—
Illisagvik College	275	78,685	—	—	—	—
North Pacific Rim Housing Authority	276	6,685	—	—	4	4
Saxman Seaport	278	937	—	—	294	294
Tlingit-Haida Regional Housing Authority	279	32,134	—	—	1,867	1,867
Baranof Island Housing Authority	281	6,123	—	—	452	452
City of Delta Junction	282	3,867	—	—	1,198	1,198
City of Anderson	283	314	—	—	118	118
Inter-Island Ferry Authority	284	10,669	—	—	—	—
City of Seldovia	286	1,604	—	—	287	287
Northwest Inupiat Housing Authority	288	6,622	—	—	—	—
City of Upper Kalskag	290	191	—	—	5	5
City of Shaktoolik	291	551	—	—	30	30
Tagiugmiullu Nunamiullu Housing Authority	293	7,672	—	—	1,196	1,196
Municipality of Skagway	296	43,156	—	—	—	—
City of Nulato	297	2,307	—	—	340	340
City of Aniak	298	2,988	—	—	—	—
Alaska Gasline Development Corporation	299	39,318	—	—	810	810
Total for employers		\$ 19,422,000	—	—	519,199	519,199

See accompanying notes to schedule of OPEB amounts by employer.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of OPEB Amounts by Employer

As of and for the year ended June 30, 2018

Deferred inflows of resources					OPEB expense		
Net difference between projected and actual investment earnings on OPEB plan investments	Difference between expected and actual experience	Changes of assumptions	Changes in proportion and differences between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	Total OPEB expense
160	1,255	—	—	1,415	405	39	444
946	7,443	—	3,537	11,926	2,400	(463)	1,937
—	—	—	—	—	—	20	20
223	1,751	—	392	2,366	565	(38)	527
3,376	26,554	—	1,246	31,176	8,564	(173)	8,391
397	3,122	—	974	4,493	1,007	(129)	878
76	601	—	199	876	194	(9)	185
163	1,284	—	366	1,813	414	(37)	377
346	2,720	—	—	3,066	877	57	934
412	3,240	—	1,003	4,655	1,045	130	1,175
61	480	—	1,046	1,587	155	(131)	24
2,768	21,770	—	2,992	27,530	7,021	(379)	6,642
235	1,850	—	275	2,360	596	(33)	563
33	259	—	325	617	84	(9)	75
1,130	8,891	—	1,848	11,869	2,867	35	2,902
215	1,694	—	216	2,125	546	25	571
136	1,070	—	—	1,206	345	159	504
11	87	—	—	98	28	15	43
375	2,952	—	236	3,563	952	(33)	919
56	444	—	341	841	143	(13)	130
233	1,832	—	696	2,761	591	(91)	500
7	53	—	20	80	17	(2)	15
19	152	—	—	171	49	4	53
270	2,123	—	—	2,393	685	153	838
1,518	11,940	—	2,551	16,009	3,851	(355)	3,496
81	638	—	162	881	206	19	225
105	827	—	844	1,776	267	(114)	153
1,383	10,878	—	7,825	20,086	3,508	(1,002)	2,506
683,200	5,373,572	—	519,199	6,575,971	1,733,020	—	1,733,020

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

(1) Plan Description

The State of Alaska Public Employees' Retirement System (the System) Occupational Death and Disability Plan (the Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides OPEB benefits to State and local government employees.

The Plan is established under Alaska Statute 39.35 which establishes benefit and contribution provisions and may be amended only by the State of Alaska (State) legislature. The Plan provides death benefits for beneficiaries of Plan participants and long-term disability benefits to all active members within the System.

Death Benefits

If (1) the death of an employee occurs before the employee's retirement and before the employee's normal retirement date, (2) the proximate cause of death is a bodily injury sustained or a hazard undergone while in the performance and within the scope of the employee's duties, and (3) the injury or hazard is not the proximate result of willful negligence of the employee, then a monthly survivor's pension shall be paid to the surviving spouse. If there is no surviving spouse or if the spouse later dies, the monthly survivor's pension shall be paid in equal parts to the dependent children of the employee.

If an active general member of the System's Defined Benefit Pension Plan (DB Plan) dies from occupational causes, the spouse may receive a monthly pension equal to 40% of the DB Plan member's salary. If an active peace officer or firefighter DB Plan member dies from occupational causes, the spouse may receive a monthly pension equal to 50% of the DB Plan member's salary or 75% of the member's retirement benefit calculated as if the member had survived until normal retirement age, whichever is greater. When death is due to occupational causes and there is no surviving spouse, the DB Plan member's dependent child(ren) may receive the monthly pension until they are no longer dependents. If the member does not have a spouse or dependent children at the time of death, a lump-sum death benefit is payable to the named beneficiary(ies). The amount of the occupational death pension changes on the date the DB Plan member's normal retirement would have occurred if the DB Plan member had lived. The new benefit is based on the DB Plan member's average monthly compensation at the time of death and the credited service, including service that would have accrued if the DB Plan member had lived and continued to work until normal retirement. If the death was from nonoccupational causes and the DB Plan member was vested, the spouse may receive a monthly 50% joint and survivor option benefit based on the member's credited service and average monthly compensation at the time of death. If the DB Plan member is not married or vested, a lump-sum death benefit is payable to the named beneficiary(ies).

The monthly survivor's pension section for survivors of the System's Defined Contribution Retirement (DCR) Plan employees who are not peace officers or firefighters is 40% of the employee's monthly compensation in the month in which the employee dies. The monthly survivor's pension for survivors of employees who are peace officers or firefighters is 50% of the monthly compensation in the month in which the employee dies. While the monthly survivor's pension is being paid, the employer shall make contributions on behalf of the employee's beneficiaries based on the deceased employee's gross monthly compensation at the time of occupational death.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

Disability Benefits

Active DB Plan members who become permanently disabled due to occupational or nonoccupational causes receive disability benefits until normal retirement age, or when the service requirement for normal retirement is met. Although there are no minimum service requirements for DB Plan members to be eligible for occupational disability, DB Plan members must be vested to receive nonoccupational disability benefits. The monthly occupational disability benefit is equal to 40% of the DB Plan's salary at the time of the disability. The nonoccupational disability benefit is based on the DB Plan member's service and salary at the time of disability. At normal retirement age, a disabled general DB Plan member receives normal retirement benefits. A peace officer or firefighter DB Plan member may elect to receive normal retirement benefits calculated under the occupational disability benefit rules.

A DCR Plan member is eligible for an occupational disability benefit if employment is terminated because of a total and apparently permanent occupational disability before the member's normal retirement date. The occupational disability benefits accrue beginning the first day of the month following termination of employment as a result of the disability and are payable the last day of the month. If a final determination granting the benefit is not made in time to pay the benefit when due, a retroactive payment shall be made to cover the period of deferment.

(2) Basis of Presentation

The schedule of OPEB amounts by employer (the Schedule) present amounts that are considered elements of the financial statements of the Plan and its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedule are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

(3) Allocation Methodology

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense. The Plan has historically had low contribution percentages, ranging from zero to less than one percent, and management determined these contribution percentages would not be meaningful for purposes of GASB Statement No. 75 allocations. However, because the contribution base of the Plan is comparable to that of the System's Retiree Medical Plan, management determined to use the allocation percentages computed for the System's Retiree Medical Plan for purposes of this Plan's GASB Statement No. 75 allocations. Allocation percentages are presented in a separate audit report titled *State of Alaska Public Employees' Retirement System Retiree Medical Plan Schedules of Employer Allocations*.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

(4) Contributions

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). An employer shall contribute to each member's account based on the member's compensation. For the year ended June 30, 2018, the rates are 0.43% for occupational death and disability for peace officers and firefighters, and 0.16% for occupational death and disability for all other members.

(5) Collective Net OPEB Asset

(a) Components of the Collective Net OPEB Asset

The components of the collective net OPEB asset of the Plan are as follows as of June 30, 2018:

Total OPEB liability	\$	(11,383,000)
Plan fiduciary net position		30,805,000
Net OPEB asset	\$	19,422,000

The total OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. These actuarial valuations used the following actuarial assumptions as of June 30, 2018:

Inflation rate	3.12%
Salary increases:	Graded by service, from 9.66% to 4.92% for Peace Officer/Firefighter Graded by age and service, from 8.55% to 4.34% for All Others
Investment rate of return	8.00%, net of occupational death and disability plan investment expenses. This is based on an average inflation rate of 3.12% and a real rate of return of 4.88%.
Mortality	Pretermination mortality rates were based the 2010-2013 actual mortality experience, 60% of male and 65% of female posttermination rates. Deaths are assumed to be occupational 70% of the time for peace officer/firefighters, 50% of the time for all others. Posttermination mortality rates were based on 96% of all rates of the RP-2000 table, 2000 Base Year projected to 2018 with Projection Scale BB. Disability mortality in accordance with the RP-2000 Disabled Retiree Mortality Table, 2000 Base Year, projected to 2018 with Projection Scale BB.

The actuarial assumptions used in the June 30, 2017 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2009 to June 30, 2013. The assumptions used in the June 30, 2017 actuarial valuation are the same as those used in the June 30, 2016 valuation.

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

(b) Long-term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2018 are summarized in the following table (note that the rates shown below exclude the inflation component):

Asset class	Long-term expected real rate of return
Domestic equity	8.90 %
Global ex-U.S. equity	7.85
Fixed income	1.25
Opportunistic	4.76
Real assets	6.20
Absolute return	4.76
Private equity	12.08
Cash equivalents	0.66

(c) Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2018 was 8.00%. The projection of cash flows used to determine the discount rate assumed that employer and State contributions will continue to follow the current funding policy, which meets State statutes. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate

The following presents the collective net OPEB asset of the Plan as of June 30, 2018, calculated using the discount rate of 8.00%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

1% Decrease (7%)	Current discount rate (8%)	1% Increase (9%)
\$ (18,238,000)	(19,422,000)	(20,396,000)

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources relate entirely to employer specific amounts.

The following presents a summary of changes in the collective deferred inflows of resources (excluding employer specific amounts) for the year ending June 30, 2018:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred inflows of resources:						
Difference between projected and actual earnings on OPEB plan investments	2017	5 years	\$ 886,400	—	221,600	664,800
	2018	5 years	—	23,000	4,600	18,400
			<u>886,400</u>	<u>23,000</u>	<u>226,200</u>	<u>683,200</u>
Difference between expected and actual experience	2017	9.1 years	418,352	—	51,648	366,704
	2018	9.1 years	—	5,625,000	618,132	5,006,868
			418,352	5,625,000	669,780	5,373,572
Total deferred inflows of resources			<u>\$ 1,304,752</u>	<u>5,648,000</u>	<u>895,980</u>	<u>6,056,772</u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Notes to Schedule of OPEB Amounts by Employer

June 30, 2018

Amounts reported as deferred inflows of resources (excluding employer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:		
2019	\$	(895,980)
2020		(895,980)
2021		(895,980)
2022		(674,380)
2023		(669,780)
Thereafter		<u>(2,024,672)</u>
Total	\$	<u><u>(6,056,772)</u></u>

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer specific amounts) for the year ending June 30, 2018 are as follows:

Service cost	\$	3,565,000
Interest on total OPEB liability		1,275,000
Administrative expense		—
Expected investment return net of investment expenses		(2,211,000)
Recognition (amortization) of deferred outflows/inflows of resources:		
Difference between projected and actual investment earnings on OPEB plan investments		(226,200)
Difference between expected and actual experience		<u>(669,780)</u>
Total OPEB expense	\$	<u><u>1,733,020</u></u>

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions

For the year ended June 30, 2018

(Unaudited)

Employer	Employer number	Actual contributions
State of Alaska	101	\$ 1,102,948
Southwest Region School District	102	2,494
Annette Island School District	103	1,965
Bering Strait School District	104	6,555
Chatham School District	105	643
City of Valdez	107	11,809
Juneau Borough School District	108	12,027
Matanuska-Susitna Borough	109	23,305
Matanuska-Susitna Borough School District	110	30,494
Anchorage School District	111	86,100
Copper River School District	112	1,193
University of Alaska	113	58,084
City of Kenai	115	12,230
Fairbanks North Star Borough	116	22,301
Fairbanks North Star Borough School District	117	31,321
Denali Borough School District	118	1,856
City and Borough of Sitka	120	13,377
Chugach School District	121	567
Ketchikan Gateway Borough	122	4,911
City of Soldotna	123	5,210
Iditarod Area School District	124	914
Kuspuk School District	125	1,463
City and Borough of Juneau	126	39,226
City of Kodiak	128	12,246
City of Fairbanks	129	12,477
City of Wasilla	131	9,932
Sitka Borough School District	133	2,937
City of Palmer	134	5,657
City and Borough of Wrangell	135	2,472
City of Bethel	136	8,353
Valdez City School District	137	2,090
Hoonah City School District	138	315
City of Nome	139	5,344
City of Kotzebue	140	8,553
Galena City School District	141	4,227
City of Petersburg	143	5,480
Bristol Bay Borough	144	2,862
North Slope Borough	145	86,723
Wrangell Public School District	146	756
City of Cordova	148	4,108

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions

For the year ended June 30, 2018

(Unaudited)

Employer	Employer number	Actual contributions
Nome City School District	149	\$ 1,381
City of King Cove	151	1,233
Alaska Housing Finance Corporation	152	12,874
Lower Yukon School District	153	5,983
Northwest Arctic Borough School District	154	7,834
Southeast Island School District	155	1,083
Pribilof School District	156	137
Lower Kuskokwim School District	157	15,130
Kodiak Island Borough School District	158	7,280
Yukon Flats School District	159	1,111
Yukon / Koyukuk School District	160	2,568
North Slope Borough School District	161	13,127
Cordova Community Medical Center	163	1,687
Lake and Peninsula Borough School District	164	1,800
Sitka Community Hospital	165	13,299
Tanana School District	166	217
Southeast Regional Resource Center	167	1,495
Hydaburg City School District	168	328
North Pacific Fishery Mgmt Council	170	962
City of Barrow	171	1,664
City of Saint Paul	172	1,816
Municipality of Anchorage	173	242,773
Kodiak Island Borough	174	3,283
Nome Joint Utility System	175	253
City of Sand Point	176	1,816
Ketchikan Gateway Borough School District	177	7,584
City of Dillingham	178	4,475
City of Unalaska	179	15,684
Kenai Peninsula Borough	180	25,599
City of Ketchikan	181	10,035
City of Seward	182	5,427
City of Fort Yukon	183	867
Bristol Bay Borough School District	184	476
Cordova City School District	185	858
City of Craig	186	2,406
Petersburg Medical Center	187	7,350
Haines Borough	189	3,991
Kenai Peninsula Borough School District	190	17,501
City of North Pole	191	5,551
City of Galena	192	760

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions

For the year ended June 30, 2018

(Unaudited)

Employer	Employer number	Actual contributions
City of Nenana	193	\$ 374
Yupit School District	195	1,234
Nenana City School District	196	1,986
City of Saxman	198	89
City of Hoonah	199	7,119
City of Pelican	200	113
City of Whittier	202	1,606
Anchorage Community Develop Authority	203	2,383
Craig City School District	204	1,173
Dillingham City School District	205	1,342
City of Thorne Bay	206	569
City of Akutan	208	885
Unalaska City School District	209	835
Kashunamiut School District	211	1,185
City of Homer	215	7,583
Special Education Service Agency	218	291
Bartlett Regional Hospital	219	38,331
Northwest Arctic Borough	220	2,555
Saint Mary's School District	221	587
Bristol Bay RHA	223	1,090
Copper River Basin RHA	224	533
Skagway City School District	225	253
City of Klawock	227	919
Petersburg City School District	228	1,176
Aleutians East Borough	230	598
City of Huslia	235	201
City of Kaltag	237	31
Haines Borough School District	240	677
City of Atka	243	81
Aleutians East Borough School District	244	773
Delta/Greely School District	246	1,177
Lake and Peninsula Borough	247	378
City and Borough of Yakutat	248	926
City of Unalakleet	249	862
Klawock City School District	251	423
Alaska Gateway School District	255	2,508

**STATE OF ALASKA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
OCCUPATIONAL DEATH AND DISABILITY PLAN**

Schedule of Employer Contributions

For the year ended June 30, 2018

(Unaudited)

Employer	Employer number	Actual contributions
Denali Borough	258	\$ 590
Cook Inlet Housing Authority	262	8,949
Interior RHA	263	1,052
Yakutat School District	264	203
Kake City School District	265	433
Aleutian Housing Authority	267	917
Bering Straits RHA	270	1,092
City of Egegik	271	162
Ilisagvik College	275	7,336
North Pacific Rim HA	276	623
Saxman Seaport	278	87
Tlingit-Haida RHA	279	2,996
Baranof Island HA	281	571
City of Delta Junction	282	361
City of Anderson	283	29
Inter-Island Ferry Authority	284	995
City of Seldovia	286	150
Northwest Inupiat Housing Authority	288	617
City of Upper Kalskag	290	18
City of Shaktoolik	291	51
Tagiugmiullu Nunamiullu Housing Authorit	293	715
Municipality of Skagway	296	4,139
City of Nulato	297	215
City of Aniak	298	279
Alaska Gasline Development Corporation	299	3,666
Total employer contributions		\$ <u>2,214,315</u>

See accompanying independent auditors' report